STATE OF IOWA

DEPARTMENT OF COMMERCE

UTILITIES BOARD

IN RE:

INTERSTATE POWER AND LIGHT COMPANY

DOCKET NO. EPB-02-150

THIRD ORDER REGARDING MUTUAL ISSUES AND ORDER REQUIRING ADDITIONAL INFORMATION

(Issued January 8, 2003)

At the hearing on December 9, 2002, when asked whether the parties objected to the proposal to decide the mutual issues¹ in Interstate Power and Light Company's (IPL) rate case, Docket. Nos. RPU-02-3 and RPU-02-8 (the rate case), and not in this docket, the Iowa Department of Natural Resources (IDNR) objected unless it was allowed to intervene in the rate case regarding the mutual issues. On December 12, 2002, IDNR filed a petition for limited intervention in the rate case, which was granted by the Utilities Board (Board) in an order issued December 26, 2002. The Board will decide the mutual issues in the rate case. Therefore, there is no need to decide them in this proceeding.

In the order regarding additional information issued December 16, 2002, IPL was ordered to identify which items on Confidential Exhibit 6 are not yet

¹ The mutual issues were discussed in an Order issued in this docket on December 3, 2002. The two issues are: 1) the appropriate depreciation schedule(s) for the capital costs related to the Combustion Initiative (CI); and 2) whether the CI expenses for M.L. Kapp Unit 2 for the period April 1, 2002, through December 31, 2002, should be approved.

commercially available, and which expenses are for items not yet commercially available. IPL provided an answer to this question on page 9 of late-filed Exhibit 9, Schedule A, filed December 23, 2002. When considered with the items listed on Confidential Exhibit 6, the answer provided appears to be inconsistent with information previously filed by IPL on September 25, 2002 and October 30, 2002. IPL is referred to pages 12, 13, 14, and 19 of the Additional Information filed September 25, 2002, and to pages 2 - 4 (Transcript pp. 161-63) of the testimony of Mr. Dana Maas filed October 30, 2002. IPL must explain the apparent inconsistency.

On December 23, 2002, IPL filed late-filed Exhibit 9, Schedules B and C. If these schedules are not the complete and most current listing of the operations and maintenance (O&M) and capital budgets for which IPL is requesting approval, IPL must provide this information in revised Schedules B and C. It appears that Schedule B includes only plant-specific O&M. If IPL is still requesting approval for central O&M budget amounts allocated to the plants, it must include these amounts with supporting explanations in a revised Schedule B.

IT IS THEREFORE ORDERED:

- The mutual issues will be decided by the Board in IPL's rate case,
 Docket Nos. RPU-02-3 and RPU-02-8, and not by the undersigned in this proceeding.
- 2. IPL must explain the apparent inconsistency between its answer on page 9 of late-filed Exhibit 9, Schedule A and information previously filed as described in this order no later than January 15, 2003.
- 3. IPL must provide additional information regarding late-filed Exhibit 9, Schedules B and C as described in this order no later than January 15, 2003.

UTILITIES BOARD

/s/ Amy L. Christensen
Amy L. Christensen
Administrative Law Judge

ATTEST:

/s/ Sharon Mayer
Executive Secretary, Assistant to

Dated at Des Moines, Iowa, this 8th day of January, 2003.